

# Accellion raises the bar in secure cloud-based file sharing

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Over the past couple of years, Accellion has been building out a highly secure enterprise collaboration and file-share offering piece by piece. In November 2012, it released kitepoint, a module that delivers unified repository access to SharePoint instances. It plans to release connectors to a range of other ECM and file-share systems in 2013. Put together, Accellion now has one of the most comprehensive offerings available in the market. It also has a strong customer base and some early-mover advantage, so expectations are high.

## The 451 Take

The world of enterprise collaboration is a busy one, and Accellion will have to work hard to continue to stand out from the crowd. But this latest release is good and has the potential to gain real traction in the market because it builds on Accellion's existing strengths in security and file transfer. It should appeal to those buyers who have complex security requirements yet do not want to slow down the BYOD revolution occurring in their organizations. All the major ECM vendors also have some type of similar solution (or are on the way to having) and are starting to compete for the same customers. Moreover, a slew of VC-backed startups in the cloud file-share world are trying to add security and collaboration functionality at a rapid pace. Nevertheless, Accellion has some key early-mover advantage here, and moreover, it truly understands and has deep expertise in this space, hence existing and potential new customers alike will want to take note of this release.

## **Context**

By IT standards Accellion, has been around a long time. It started out in 1999 and has undertaken a number of pivots in the intervening years. Still best known for secure file-transfer services, it has been adding collaboration functionality over the past couple of years and growing at a healthy pace. The recent release of kitepoint, though, has lifted the bar considerably and delivered much more than expected. Accellion has an opportunity to grab some market share and visibility while others try to catch up.

The firm currently employs about 200 people and hopes to add roughly 100 more in 2013. It is headquartered in Palo Alto, California, with an engineering center in Singapore. The company added a series three round of funding worth \$12m from Riverwood Capital in January 2012, adding to the approximately \$30m taken in earlier rounds from Baring Private Equity Partners Asia. The firm claims to be profitable and cash-flow positive. It has 1,700 customers worldwide, with about 70% of those in North America, 20% in Europe and 10% in APAC.

## **Technology**

The recent release of kitepoint came as something of a welcome surprise. On one hand, every firm engaged in document management and file sharing has either released or is in the process of developing cloud-based file sharing. On the other hand, kitepoint is not just a kneejerk reaction to the incursion of Box and Dropbox. It goes well beyond their capabilities and has set a new bar in the secure file-sharing space.

Cumulatively, Accellion's Cloud Sync & File Storage, Secure File Transfer and simple but secure team workspaces provide a pretty compelling solution for secure and regulated sectors. The addition of kitepoint really rounds this all out and adds much-needed SharePoint connections. One minor gripe here is that it would be nice to see a single bundled offering rather than a series of modules because, in truth, navigating Accellion's solutions is not as straightforward as the firm might imagine.

Kitepoint is positioned as a module of Accellion's existing Mobile File Sharing product set, and it is marketed as providing secure and unified mobile access to files stored in SharePoint, file shares and ECM systems. This release focuses on SharePoint, but in 2013, it plans to roll out a large number of connectors to legacy ECM systems and file systems. This product has the potential to be used as a unified point to view and access enterprise information stored in multiple repositories. Of course, every vendor wants to be the unifying repository system, but the fact that information can

remain in a combination of in situ or the kitepoint repository – although not unique – is compelling. It may be that this could be of value to those administrating and tasked with managing multiple ECM and SharePoint silos because administrators will be able to centrally manage users and security policies across content stores, including access control, audit trails and compliance.

Another important differentiator for Accellion and kitepoint is its ability to offer private, public or hybrid cloud options, or any combination of these to its customers. Accellion claims that about 80% of its customers opt for the private cloud option. This is not a figure we would dispute because there is very real reluctance to move to and trust the public cloud for sensitive information. Over time, no doubt, the hybrid option will become more popular, assuming highly secure information can be identified properly and segregated. Finally, it is worth noting that Accellion is also able to support FIPS-140-2-certified encryption, somewhat unique for a full collaboration suite. Although maybe not headline-grabbing or sexy, the ability to move large files, provide secure file sharing, support multiple cloud models and unify multiple repositories in a single view is solid stuff.

## **Customers**

It comes as little surprise that Accellion is best known in regulated sectors such as government, energy and pharmaceuticals, with many large organizations as customers, including Pfizer, NASA, EDF Energy, Singapore Power, Harvard Medical School and the Metropolitan Police. Although the majority of Accellion's business is conducted in North America, it has won some notable business in both Europe and the Asia-Pacific region.

## **Competition**

Secure collaboration and file sharing is an intensely competitive marketplace and one that gets more crowded by the day. On a feature-function dimension, Accellion comes closest to competing head on with OpenText, Intralinks and ShareVault, which all market by emphasizing their strong security capabilities. But startups such as Box, SkyDox, Teambox, Igloo and Huddle also have their eyes firmly set on the secure collaboration market and are investing heavily both in extending their technologies and in marketing their products. Where Accellion currently has an advantage is that it offers a fully comprehensive set of highly secure functions in one integrated product stack, negating the need for multiple vendors. It also acts as a neutral unifier of existing content repositories, something that competitors are either unable or unwilling to do – the typical sales pitch is for the buyer to move everything to the vendor's proprietary repositories.

## **SWOT Analysis**

### **Strengths**

Highly secure file transfer and collaboration via either private, public or hybrid cloud represents a real strength for the firm.

### **Opportunities**

Accellion has an opportunity to double down and become more vertically focused than it currently is. There is pent-up demand for such products, but a lot of market noise. Focusing its marketing on one or two key verticals could unleash a lot of business.

### **Weaknesses**

Accellion is not a very visible brand, and in a crowded market, it may struggle for attention in the future. Although it is fairly well known in highly regulated and secure sectors, it may struggle to broaden its appeal.

### **Threats**

A real threat is for Accellion's core market offerings to become commoditized and secure mobile collaboration to become commonplace.

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